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STATE OF MAINE
GOVERNOR'S OFFICE OF HEALTH POLICY AND FINANCE
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TRISH RILEY
DIRECTOR

TO: MEMBERS OF THE JT. SELECT COMMITTEE ON HEALTH CARE
REFORM OPPORTUNITIES AND IMPLEMENTATION

FROM: TRISH RILEY, CHAIR
STEERING COMMITTEE ON HEALTH REPORT

RE: UPDATE – OCTOBER 19, 2010

DATE: OCTOBER 19, 2010

1. Grants Awarded to Date Under Affordable Care Act (ACA) (Attachment A)
 - Exchange Planning
2. Summary of Advisory Council on Health Systems Development Discussion re: Exchange (Attachment B)
3. MaineCare / ACA Update
4. Dirigo Health
5. Schedule for Steering Committee & Advisory Council on Health Systems Development to complete work

Attachments: - Grants Awarded to Date under ACA – 10/1/10
- Summary of Advisory Council on Health Systems Development Discussion
re: Exchange

cc: Karynlee Harrington
Brenda Harvey
Anne Head
Mila Kofman
Ellen Schneiter

**Funded Grants for Maine under the Affordable Care Act (ACA)
Current as of 10/1/10**

Grant/pilot/demostration	Amount	Recipient	timeframe
High risk pool	\$17,000,000	Dirigo Health Agency	2010-2014
Premium review	\$1,000,000	Bureau of Insurance	
workforce development (see below for more details)	\$309,820	Dept.of Labor	
Early Retiree Reinsurance Program (approved recipients)		Iberdola, MEA, MaineHealth, TexTech, Portland Water District, University of Maine System & UNUM Group	2010-2014
Evidence Based Care Transition Grants	\$184,071	DHHS/OES, SMAAA & MaineHealth, Aging & Disability Resource Center	
Medicare Outreach and Assistance in Low Income Programs and Prevention Grants	\$125,000	Passamaquoddy Tribe	
Strengthening Public Health Infrastructure for Improved Health Outcomes	\$1,758,786	Maine State Department of Health and Human Services	5-year cooperative agreement program entitled,
Medicare Outreach and Assistance in Low Income Programs and Prevention Grants	\$396,394	State of ME: Grants to Help Consumers Navigate their Health and Long-Term Care Options	
Public Health and Prevention Fund Workforce Grants	\$1,877,632	See Below	
Teen Pregnancy Prevention & Personal Responsibility Education Program Grants by State	\$250,000	State of ME	2010-2014
Health Insurance Exchanges: State Planning and Establishment Grants	\$1,000,000	Governor's Office of Health Policy and Finance	2010-2014

Maine Health Professional Grants (total: \$309,820)

Grantee	City	Advanced Education Nursing Traineeship Grants	Award
Husson College University of New England	Bangor Biddeford		\$28,457.00 \$8,641.00
University of Maine System, acting through University of Maine University of Southern Maine	Orono Portland	Nurse Anesthetist Traineeship Grants	\$24,469.00 \$21,936.00
University of New England	Biddeford	Geriatric Education Center Grants	\$12,223.00
University of New England	Biddeford		\$208,111.00
State Health Professional Grants (TOTAL: \$1,887,632.00)	City	Expansion of Physician Assistant Training Program	Award

University of New England	Biddeford	\$990,000.00
State of Maine, Department of Health and Human Services	Personal and Home Care Aide State Training Program Augusta	\$747,632.00
Maine Jobs Council	State Health Care Workforce Grants: Planning Augusta	\$150,000.00

Grant Specific Grantee	Amount
CDC HIV Surveillance Grant Maine	
CDC Tobacco Quitlines Grant Maine Department of Health	\$60,000
CDC Epidemiology & Laboratory Capacity/Emerging Infections Program Grant Maine Department of Health and Human Services	\$53,098
SAMHSA Primary Care & Behavioral Health Grant Community Health And Counseling Service	\$337,410
	\$496,820

Attachment B - Summary of Advisory Council on Health Systems Development
Discussion re: Exchange

Current State Infrastructure

	Dirigo	HHS	BCI	State Employee Plan	Exists in State
Eligibility					
determine Public Program		X			X
determine subsidies for Private Insurance	X				X
Determine employer Vouchers					
determine employee Vouchers	X				X
determine Affordability Waiver					
determine Affordability Exemption					
determine Employer Access	X				X
refer applicants to other programs	X	X	X		X
Benefit and Plan Interaction					
contract with Carriers	X	X		X	X
standardize benefit categories by actuarial value					
certify Qualified Health Plans	X		X		X
reward quality through market based incentives				X	X
assign quality rating to plans				X	X
conduct risk adjustment	X				X
Customer Service					
call center	X	X			X
enroll individuals	X			X	X
enroll businesses	X				X
maintain website with cost and quality information	X		X	X	X
provide cost calculator	X				X
Premium Payment and Collection					
pay brokers	X				X
manage navigator program	X				X
pay premiums to carriers	X			X	X
aggregate premium from multiple sources	X				X

Draft 5 - for Discussion

1

Planning Framework Issue 1: Maine Should Manage its own Exchange

- Pros:
 - Maine will have more control and flexibility
 - Exchange will focus on Maine's priorities and goals
 - Maine has existing state infrastructure with core competencies
 - More efficient for state agencies to coordinate with each other than to separately coordinate with a federal or regional exchange
 - Implementation timelines are very ambitious; takes longer to coordinate with other states
 - Maximizes legislative oversight
 - Federal planning and implementation grants available to state
- Cons:
 - Resource intensive for state to administer (time and personnel)
 - Difficult to estimate the administrative costs and whether the Exchange can be sustainable
 - May not realize economies of scale that could potentially be realized through a regional or national Exchange

Draft 5 - for Discussion

2

Planning Framework Issue 2: Maine should create one Exchange serving both Individuals and Businesses

- Pros:
 - Individuals move between employer and non-group coverage, having one Exchange will make it easier
 - Economies of scale in having one Exchange
 - Administrative costs more expensive with two exchanges
 - All covered lives in one Exchange (vs. 2) allows for larger pool and ability to have more impact on quality & cost
 - One Board/oversight body
- Cons:
 - May be difficult for one entity to balance differing priorities of Individual and SHOP Exchange
 - Different messaging and customer service needs for individuals and businesses

Planning Framework Issue 3: Maine should have one Exchange serving the State

- Pros:
 - Maine's population can be covered within one Exchange
 - Insurance carriers are statewide
 - Administrative efficiencies may be realized with centralized Exchange
 - Could coordinate with local offices of state government
- Cons:
 - Will require outreach in rural areas of Maine
 - Will require strategies other than the Internet for remote areas and populations without access
 - Will require governance reflective of geographic and other diversity of the state

**Planning Framework Issue 4:
Maine should collaborate with New England states on
Exchange functions**

- Pros:
 - Procurement of IT and other resources might bring efficiencies and/or economies of scale
 - Allows for collaboration on specific issues given the tight implementation timeline
 - States can share best practices and learn what works
- Cons:
 - May be difficult to coordinate across states, particularly given on-going activities
 - Each state has its own procurement rules which may make collaboration difficult
 - States may have different goals that impact ability to collaborate on specific issues
 - Cost of multi state meetings/travel

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Draft 5 – for Discussion

**Planning Framework Issue 5:
Maine's Exchange should be housed in an Independent
or Quasi-state agency.**

Nonprofit Discussion

1 of 3

- Pros:
 - Least influenced by political environment
 - Most nimble as it will not be constrained by state procurement and HR rules
 - Potentially better able to compete for highly skilled staff
 - It's not government so some may trust it more
 - Traditionally private functions may be easier to carry out*
- Cons:
 - Hardest entity to ensure that state priorities are carried out
 - May be difficult to coordinate across state and federal agencies
 - Difficult entity for sharing confidential information
 - Government still remains responsible for carrying out ACA yet Legislature and Governor have least accountability here

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Draft 5 – for Discussion

**Planning Framework Issue 5:
Maine's Exchange should be housed in an Independent
or Quasi-state agency.**

Independent/Quasi State Agency Discussion

2 of 3

- Pros:
 - Better site for state priorities
 - Easier to coordinate with federal and state agencies
 - Better accountability and more transparency
 - Can appoint governing board composed of people with technical expertise
 - Board appointed by Governor and Legislature
 - Executive Director to serve at pleasure of the Board
 - Flexibility from some state procurement and HR laws
 - May be better able to interact with private sector than government agency
- Cons:
 - Sharing of confidential information may be problematic
 - May carry stigma with consumers (Individuals and businesses) as governmental agency
 - May be somewhat influenced by political environment
 - Less able to ensure accountability and transparency to state government than full governmental entity
 - Executive and Legislative branches of government have less control than over a state agency; more than over a non profit

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Draft 5 – for Discussion

**Planning Framework Issue 5:
Maine's Exchange should be housed in an Independent
or Quasi-state agency.**

Existing Government Agency Discussion

3 of 3

- Pros:
 - Ensures state priorities and goals are met
 - Easiest for coordination with federal and other state agencies
 - Greatest opportunity to ensure accountability and transparency to state
 - Confidential information more easily shared across state agencies
 - Director appointed by Commissioner or Governor
- Cons:
 - Agency led by Commissioner that serves at the pleasure of Governor
 - No diverse governing board to assist with technical and policy issues
 - Don't want to create new agency and Exchange functions may get lost or downplayed in existing agency
 - May carry stigma as governmental agency
 - Most influenced by political environment
 - Less nimble as it must follow state procurement and HR laws

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Draft 5 – for Discussion

Next Steps

- Identify opportunities and barriers of working with other New England states in establishing an exchange
- Ask the federal government to provide details on how a federally-established Exchange would operate
- Begin to develop a "strawman" model of a Maine Exchange for stakeholder feedback
- Begin planning process for examining options for Maine to establish its own Exchange.

